

Senate Committee on Foreign Relations
Chairman Richard G. Lugar
Opening Statement for Hearing on
Democracy in Retreat in Russia
February 17, 2005

In his Inaugural Address, President Bush stated that “it is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world.” I agree with the President. Democracy must be at the core of U.S. foreign policy and diplomacy. Our country must be prepared to play a leadership role in ensuring that democracy and basic freedoms are promoted and preserved around the world.

The states of the former Soviet Union present a special challenge to the advancement of democracy. Some states, such as Latvia, Lithuania, and Estonia, have solidified democracy and used this foundation to establish strong economic and security links to Europe, including membership in NATO. Elsewhere, the people of Ukraine and Georgia have struggled and sacrificed for democracy. Those efforts have paid off with new governments based on democratic principles and the rule of law. But these encouraging signs are not universal. Belarus is the last remaining dictatorship in Europe, a virtual police state. The countries of Central Asia are controlled by strong men where the effective and consistent application of democracy, the rule of law, and human rights remain a distant goal.

The biggest concern in the region for democracy advocates, however, is Russia. Despite elections and the experience of post-Soviet personal freedoms by the Russian people, the fate of democracy in Russia is perhaps more ambiguous now than at any time since the collapse of the Communist system.

Russia is a vitally important country with which the United States must have a constructive relationship. Those who would discount Russian relevance to U.S. national security in a post-Cold War world are seriously mistaken. The interests of our two countries intersect in countless areas. Russia can be a critical partner in the war on terrorism, in preventing nuclear non-proliferation, in meeting world energy needs, in organizing international responses to emergencies, and in maintaining economic vibrancy in both Europe and Asia. With the adoption and maintenance of strong democratic institutions, Russia would develop from an occasional partner of the United States into a close friend. The benefits of such a relationship for both countries would be enormous.

However, the U.S.-Russian relationship cannot develop in positive directions while basic freedoms are being violated in Russia. This is not just a policy of the U.S. government. When a country does not respect the rule of law, private businesses around the world impose market-driven consequences on that country. Investment and other economic links that would help Russia diversify its economy and improve its trading relationships are far less likely to appear if foreign companies cannot count on a fair and consistent business climate and legal system.

The Russian people have suffered from suicide bombings and terrorist attacks, including the tragedies at the Moscow theater and the elementary school at Beslan. Russia is fighting to overcome terrorist threats that pose grave risks to citizens on its own soil. In this struggle, we identify with the people of Russia and pray for their safety. But even as we understand the complex choices facing the Russian government, we can attest that these horrible events should not be used to justify the rolling back of democracy. This is a self-defeating strategy that will weaken, not strengthen Russian society.

In recent months, the Kremlin has taken action to stifle public dissent and political opposition. Rival political parties have been suppressed, the election of regional governors was canceled, and most of the media has been brought under state control. This pattern of behavior has spilled into the Russian government's handling of the economy. The campaign against Yukos and Mikhael Khordokovsky reached a new low on December 28 when one of President Putin's senior economic advisors criticized the forced sale of Yukos' main oil-producing unit and its purchase by a state-owned company as, "the scam of the year." This honesty resulted in the official being stripped of most of his responsibilities by the Kremlin.

Outside of Russia, the Kremlin has attempted unsuccessfully to alter the outcome of the elections in Ukraine and has provided overt support to the breakaway regions in Georgia. Russian backing remains a critical component in President Lukashenko's hold on power in Belarus and in efforts by governments in Central Asia to rebuff democratic advancements. These anti-democratic actions do not make Russia safer, because they contribute to regional instability.

The West's next opportunity to reinforce democratic values is in Moldova next month. Moldova's path towards democracy has been marked by free and fair multiparty elections. We must be vigilant to ensure that the people of that country have the freedom to choose their leaders.

As the United States encourages democracy in the former Soviet Union, we must maintain the foreign policy tools that support this effort. The Administration's Fiscal Year 2006 request for the Foreign Affairs account is an especially good one. But one area that should be revisited is its 13 percent cut in funding for the Freedom Support Act, which underwrites democracy programs in the former Soviet Union. With so much at stake in Russia, this is not the time to diminish our funding in this area.

Next week, President Bush will meet with President Putin in Bratislava. The discussion will focus on the proliferation of weapons of mass destruction and the Global War on Terrorism. There is much to discuss in these areas, including the identification of additional weapons sites in Russian in need of security upgrades and Russia's resistant posture toward granting liability protections to U.S. contractors working on the Plutonium Disposition Program. In addition to these important subjects, President Bush must make democracy, human rights, and the rule of law priorities of the discussion. The United States must continue to press Russia to adopt a free and fair political and judicial system. Only then will the U.S.-Russian relationship reach its full potential.

To examine the threats to democracy and the rule of law in Russia, we are joined today by Mr. Stephen Theede, the Chief Executive Officer of Yukos, and Mr. Tim Osborne, Director of MENATEP. We appreciate their appearance, especially given that hearings in the Yukos court case, including claims against the Russian Government, are continuing in Houston today.

On our second panel, we are pleased to welcome Stephen Nix of the International Republican Institute; Nelson Ledsky of the National Democratic Institute; Anders Aslund of the Carnegie Endowment for International Peace; and Bruce Jackson of the Project on Transitional Democracies.

We thank our witnesses for joining us and look forward to their insights.

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